

BILL # HB 2116

TITLE: vehicle license tax exemptions; veterans

SPONSOR: Carruthers

STATUS: As Introduced

REQUESTED BY: House

PREPARED BY: Bob Hull

	FISCAL YEAR		
	2003	2004	2005
EXPENDITURES			
State Highway Fund	\$-0-	\$-0-	\$-0-
REVENUES			
State Highway Fund	\$-0-	No Greater Than \$(119,500)	No Greater Than \$(119,500)

FISCAL ANALYSIS

Description

Currently, a veteran who is certified by the Veterans' Administration to be 100% disabled and drawing compensation on that basis is exempt from paying the initial and annual renewal vehicle license tax and registration fee for a personally owned vehicle. The bill would extend the exemption to a surviving spouse of the disabled veteran until the surviving spouse remarries or dies.

Estimated Impact

The bill would decrease total annual revenue by no greater than \$(573,400) beginning in FY 2004, including decreases of up to \$(119,500) to the State Highway Fund and up to \$(453,900) to local governments in their vehicle license tax and Highway User Revenue Fund distributions. The actual amount in any one year, however, will likely be significantly less.

The Arizona Department of Transportation (ADOT) does not have a cost estimate for this proposal, since there is no way to determine how many of the 3,475 veterans will have surviving spouses.

Analysis

ADOT reports that 3,475 veterans are currently in this category, and are therefore exempt from paying the initial and annual renewal vehicle license tax and registration fee for a personally owned vehicle. ADOT reports that the number of veterans in this category has not changed significantly in the past several years. ADOT could not estimate how many of these 3,475 100% disabled veterans might in the future have surviving spouse, who under the bill would also be exempt from paying the for a personally owned vehicle.

ADOT reports that the average vehicle license tax was \$157 for the first half of FY 2003, and the registration fee is \$8. If for example all 3,475 exempt veterans were to have surviving spouses, then the total annual vehicle license tax and registration fee revenue would decrease an estimated \$(573,400). The actual amount in any one year, however, will likely be significantly less.

The bill would have a general effective date.

Local Government Impact

Local governments would have an annual decrease no greater than \$(453,900) in their vehicle license tax and Highway User Revenue Fund distributions beginning in FY 2004, including decreases of up to \$(216,200) to cities, up to \$(217,100) to counties, and up to \$(20,600) to controlled access highways in Maricopa and Pima counties. The actual amount in any one year, however, will likely be significantly less.